

EXHIBIT D

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Student Town Hall Meeting on the Implications of the Financial Crisis

**ICC Auditorium
Georgetown University
March 2, 2009**

I am very grateful to you all for coming out tonight. I know that this is a particularly demanding time of year, with mid-terms coming right up against the beginning of Spring Break. I wish you all the very best as you complete your responsibilities over these next days and for an enjoyable week away.

I wanted to get together with you at this time to share my thoughts regarding the implications of the financial crisis for all of us here at Georgetown. This is the time of year when we announce our tuition for the coming year. We do so in anticipation of putting together the financial aid awards for new students who will be receiving their letters of admission later this month. This past week we announced a tuition increase for undergraduates of 2.9%. We indicated the same – 2.9% on Room, Board and Fees – which will take the full cost of education for next academic year from approximately \$53,600 to \$55,000.

I wanted to get together this evening to offer some reflections on the decision for this framework, a decision that demanded the most careful attention and consideration over the past several months. It is important to recognize that this level of growth – 2.9% – is the smallest increase in a generation. Given our academic aspirations, some might say 2.9% growth is too low. Given the recession, others might say 2.9 % is too much. We looked at this decision from all angles and believed that our approach strikes the right balance.

We also made a decision to increase the percentage of our budget for undergraduate financial aid by 18%. This will ensure a budget for the coming year of more than \$75 million, the second largest element of the budget for the Main Campus.

The process for developing this budget demanded the very best from colleagues throughout the university. On each of our three campuses, the most serious engagement defined the commitment to this process. This budget also demanded an extraordinary level of engagement of our Board of Directors. I am deeply grateful to my colleagues for their exceptional work in developing this budget. I am going to focus my remarks this evening on the Main Campus, and would especially like to thank our Provost, James O'Donnell; CFO Darryl Christmon; Chief Budget Officer Mieke Martinez; as well as the faculty leadership, including the Faculty Budget Committee, which is comprised of Wayne Davis, Robert Cumby, Richard Bates, and Ed Soule. This truly was a team effort and I am grateful to everyone for the depth of their commitment to the University.

So let me offer some perspective.

I suppose this that long into the financial crisis I don't need to say that we are confronting unprecedented economic challenges. Not in our lifetimes have we faced challenges like we do today. What began as a credit crisis a little over a year ago, became a recession, and the severity of what we are experiencing continues to worsen. No

individual nor institution has been spared.

As we have developed our response, there are three issues that shape our thinking. First, is a commitment to academic excellence; second to responding to the needs of our community; and third, is sustaining platform for continued growth and development of Georgetown.

A word about each...

Academic Excellence

In everything we do, we seek to sustain a tradition of academic excellence that all of us have come to expect of Georgetown. We seek to ensure this is a university that provides the very best student body an opportunity to study and work with the very best faculty in the best facilities that we can possibly provide. We do so without the same level of financial resources of most of our peers. The most obvious gap is the size of our endowment. While we compete among the top 25 universities in the nation, our endowment ranks 73rd. As you no doubt have heard me and other colleagues over the years say, we compete amongst the best universities in the nation without the same level of resources. Thus, we have always had to be vigilant in the construction of our budgets to ensure we were making the best possible decisions about every dollar that we were spending.

We always begin with a focus on students, faculty, and facilities. We want to ensure the very best students, the very best faculty, and the best facilities that we can possibly achieve. So let me tell you about the trajectory that describes these three areas.

Meeting Full Need

When we think about ensuring the very best students can be here, we must focus on financial aid. Georgetown is one of only a handful of colleges and universities in the United States committed to a “need-blind” admissions policy and a financial aid policy of “meeting full need.” The 568 Group, established in 2001 is comprised of 28 schools committed to applying a consistent formula for assessing need. Georgetown University is a founding member of this Group. And we implemented our policy of meeting full-need in 1978.

I believe that the most significant policy implemented in the past quarter-century was this decision to commit to meeting full-need. It is inextricably linked to the excellence we have achieved as a community. The policy has enabled us to recruit and retain an extraordinary student body, the kind of students that people come to expect of Georgetown.

It is also a deep part of our tradition. It is an enduring commitment at Georgetown. We would not be the university we are today. And it’s hard to imagine a more compelling way to live out the values of our Catholic and Jesuit identity. And the incalculable contributions of thousands of Georgetown students, now alumni, who were able to secure a Georgetown education through this policy, cannot be underestimated.

It is also very challenging to sustain this policy. Our commitment is to meeting full need. In an environment as volatile as the one that we are in, we know families are hurting and that some may experience deeper levels of need than they had in previous years. We are anticipating greater need and have built the budget accordingly. As a 568 school, we are committed to using a common and consistent methodology. While no doubt at times, the assessment of need that emerges through this methodology is less than some families would hope, it is important to recognize that on average, 35% of our undergraduates receive Georgetown scholarships averaging \$25,000 a year.

Faculty

Over this same period of time, beginning in the late '70's, to ensure the very best faculty, we recognized that we would need to consider the size of the faculty, our expectations for teaching and scholarship, and the compensation required to recruit and retain faculty in a very competitive context. We have doubled the size of the Main Campus faculty since 1980. Perhaps more important for this moment, over the course of the past decade, we implemented a framework for compensation that would recognize the competitiveness of the context in which we are engaged. Nine years ago, we implemented a ten-year plan that would respond to the competitiveness and for the first nine years we hit our targets every year. This will be the first year in which we will not reach our original targets.

After much discussion, we have decided to delay next year's faculty and staff increases by six months until January 1, 2010. We also decided to implement lower salary increases than we would have wished. These were not easy decisions, but we do believe that this approach gives us greater flexibility to manage any new impacts of the recession.

Facilities

A third dimension of our commitment to academic excellence is to the infrastructure we provide here. Here, the impact of the economy has been to slow down some of the expansion of our work. As background, it is important to note that over this past decade, we have been engaged in the most significant capital expansion in the history of Georgetown. The addition of the Southwest Quadrangle, including O'Donovan Hall, and the Royden B. Davis Performing Arts Center, are two elements in this expansion. We are able to sustain the construction schedule for the new home of the McDonough School of Business, and it is scheduled to open in May.

We have had to delay construction on the new science building. Our highest priority for infrastructure development, as we move forward, is the new science building. It will require a better overall set of financial conditions than are present at this time. It will require some borrowing for construction costs and right now the credit markets are not stable enough for us to access debt. It will require an improved operating position for the Main Campus, because on the day it opens, we will face new operating costs for the building of close to \$10 million annually. It will require additional philanthropy and we are working hard to secure such gifts. As soon as the conditions improve, we will move forward with this building.

I also know that there are frustrations that we all share with the current state of our infrastructure. Many of you have shared with me your concerns about the breadth of our wireless coverage. I know many of you have been working with my colleagues in prioritizing the areas that need to be brought into the system and I am grateful to you for your participation in this important work.

Responding to the needs of the community

A focus on academic excellence has been one of the crucial priorities as we have wrestled with the financial crisis. The second priority has been an effort to respond to the needs of the members of our community. The crisis has impacted everyone.

For seniors, the experience this year in the Career Center has been very different than in previous years. We have always been a leader in placing students in the financial services sector. This is not a good year for securing employment in financial services. We have actually had an increase in the number of employers coming to campus, but we have seen a reduction in the number of interviews offered by these employers. We believe this is directly linked to the contraction of the financial services industry. But we are seeing some new employers coming to campus. Firms like Procter & Gamble and Colgate-Palmolive have visited campus this year. And don't be too dismissive – both Jeffrey Immelt, the CEO of General Electric, and Steve Ballmer, the CEO of Microsoft, got their start at Procter & Gamble!

We just hosted an outstanding Non-profit and Government Expo, which is our annual job fair we host for students from around the country interested in careers in these sectors. We had more than 800 Georgetown students attend the Expo, with 88 employers in attendance.

Despite these successes, it is a very difficult job market. Unemployment is at the highest rates in a quarter-century. I am very grateful for the care and sensitivity to the challenges of this moment of Michael Schaub, of our Career Center, and for the imaginative and thoughtful responses to this moment.

For faculty, it is important to be aware that the decline in the stock market has a direct impact on them. Our faculty prepare for retirement by investing in stocks and bonds. We have a few different firms that provide the framework for this investing. A popular firm among our faculty is TIAA-CREF, which stands for the Teacher's Insurance Annuity Association, College Retirement Equity Fund. There has been no place to hide so it would not be unusual for members of our faculty to have a third less in their retirement accounts today than they did a year ago. Our colleagues in Benefits, lead by Charles DeSantis, have offered extensive counseling and financial planning workshops for the community. I'm grateful to Charles and to our Vice President for Human Resources, Mary Anne Mahin, for the depth of their commitment and for working with those in our community who have been struggling to get their balance in this very difficult time.

For lower salaried contract employees who provide invaluable support services, we are guided by our Just Employment Policy. In this context, we monitor CPI very carefully. Our standing committee that reviews the financial framework that provides for these members of our community has provided invaluable service to Georgetown. And I am grateful to the leadership of LaMarr Billups and the service of faculty, students, and staff on the committee.

One last word about the importance of our community. These are very difficult times. These times demand the very best of everyone of us. While everyone is feeling the stress and the anxieties of these days, never has the importance of this community been stronger. It demands the highest level of civility possible. It is why I have found it particularly disturbing that twice in the past week, two important statues have been defaced. Incidents such as these do not reflect the best that is Georgetown. And these times demand the best.

Sustaining a Platform for Growth and Development

Academic excellence and responding to the needs of our community have been two aspects of our response to the crisis. The third acknowledges the extraordinary opportunities that come for us, living here in Washington DC, at this incredible moment in history. We are approaching the halfway mark of the first 100 days of our new president. I have never experienced an inauguration quite like that of Barack Obama. To be alive in this city, being a part of this university, at this moment in history, is an unbelievable privilege. And to be wrestling with this moment in the context of the financial crisis makes it all the more important. With tuition growth rates smaller than at any time in a generation, these will be difficult days for the university to find new dollars to spend on emerging opportunities. But we will be creative in seeking such opportunities, and will be looking for the philanthropic investment of our alumni and friends to assist us now more than ever.

I am pleased that several members of our community have been invited to serve in major leadership roles in the new administration. And I am equally pleased that highly-principled public servants like Senator Chuck Hagel and Ambassador Mark Dybul are now a part of Georgetown. These are both distinguished leaders and will contribute greatly to our work here.

We will seek additional opportunities to deepen our commitment to academic excellence. We will do so in a manner that reflects the constraints of the fiscal challenges that confront us at this time.

Over the years, I have seen this community at its best; and it can be breathtaking. This is another such moment that demands our best, and I am very pleased that we have each other in these challenging times.

...Again thanks for being here tonight, and I'd be happy to take questions you might have on any matters of the day...



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